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SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY, AND HUMAN RESOURCES

STATEMENT BY
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DEPARTMENT OF DEFENSE COUNTERNARCOTICS BUDGET

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INTRODUCTION

Chairman Souder, Representative Cummings, distinguished members of the Committee, it is my pleasure to appear before you today to discuss the Department of Defense's counterdrug budget for Fiscal Year 2006. I appreciate the support you give these programs and value your continued leadership.

My office, the Office of Counternarcotics, with oversight from the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict and the Under Secretary of Defense for Policy, is the single focal point for the Department's counternarcotics activities, and as such is responsible for ensuring that the Department develops and implements a focused counternarcotics program with clear priorities and measured results. Consistent with applicable laws, authorities, regulations, and funding, the Department of Defense works to ensure that sufficient forces and resources are allocated to the counternarcotics mission to achieve our goals.

As you are aware, illegal drug use exacts a heavy toll on American society every year. It accounts for billions of dollars in direct and indirect costs including health care costs, lost revenue due to crime, social welfare costs and lost productivity. While cocaine continues to be the most serious drug threat, heroin, synthetic drugs, methamphetamines, and marijuana are also serious concerns. The Department of Defense Counternarcotics offices does, and will continue to, consider reducing the flow of illegal drugs into this country, and doing our part to reduce drug use in America as our highest priorities.

Each year, the Department of Defense expends a great deal of time, effort, and resources to reduce drugs crossing our borders; to contribute to force readiness by eliminating drug use by military members; and to assist other nations to join us in this battle, as well as address this terrible problem in their own country. These activities require integrated efforts across all U.S. government agencies at all levels, as well as coordination and funding from the foreign countries that we assist so that drugs are stopped before arriving at our borders.

In Fiscal Year 2006, the Department requested \$895.7 million for CN efforts.

STRATEGY AND POLICY

The Department uses its counternarcotics resources as effectively and efficiently as possible to achieve national and Department counter-narcotics priorities. We focus on programs that use military-unique resources and capabilities to advance the priorities of the President's National Drug Control Strategy, as well as to support the Department's defense priorities, including the war on terrorism and the Department's Security Cooperation Guidance.

It is our policy to employ military unique resources to execute the drug detection and monitoring and other programs in support of these priorities. In general, we use our resources to support 1) Department of Defense drug demand reduction activities; 2) counternarcotics detection and monitoring missions; and 3) permissive counternarcotics support to domestic and host nation law enforcement and/or military forces.

Our four primary mission areas reflect these priorities. These mission areas are:

- Demand Reduction: Drug testing, treatment, and outreach to American citizens and Department personnel.
- Domestic Support: Active duty and National Guard counternarcotics support to domestic law enforcement, the Southwest Border and parts of the transit zone, and to Mexico.
- International Support: Detection and monitoring efforts; intelligence support and analysis; equipment, training, and infrastructure for participating nations; and focusing on the source and transit zones and other Presidential priorities.
- Intelligence and Technology Support: SIGINT collection and processing, intelligence support and analysis, and CN technology efforts supporting our other activities.

The Department's request of \$895.7 million for the Counternarcotics Central Transfer Account (CTA) will continue to fund a wide array of unique and effective programs under this framework. An outline of those programs and budget allocations for them follow.

Demand Reduction

The Department has budgeted over \$128 million in support of our demand reduction activities. A total of \$19.4 million is programmed for the Young Marines and the National Guard State Plans and Service outreach programs, with an additional \$102.7 million for the continued support to the Department of Defense Demand Reduction Programs. The Department's demand reduction programs include drug testing for active duty military, National Guard, Reserve personnel, and Defense Department civilian employees; drug abuse prevention/education activities for military and civilian personnel and their dependents; and drug treatment for military personnel.

Because illegal drug use continues to be prevalent in our society, and because drug use is incompatible with military security-sensitive and dangerous duties, the Department set a goal in 2002 of reducing the amount of drug use in the military population by 10

percent in two years, and 25 percent in five years, using 2000 as a baseline. In this period, the percentage of active duty personnel drug tests that returned positive results for illicit drugs dropped from 1.26% in 2003 to 0.62 % in 2004; putting the Department of Defense on its way to meeting the goal for drug positive tests. The Department's established policy is to randomly test all military members and designated civilian employees at a minimum rate of one test per year per member. Our policy also calls for mandatory consequences for military members who knowingly use drugs.

With the increased exposure by our deployed troops in Afghanistan to opiates, last year the Department promulgated a demand reduction policy directing all military members deployed to Afghanistan for more than 60 days to be included in the theater's 100% random testing program. As of January 2005, no service members in Afghanistan have tested positive for heroin.

Domestic Support

A total of \$199.1M from our FY 2006 budget supports federal, state, and local drug law enforcement agencies' (DLEAs) requests for domestic operational and logistical support, including the Department's CN support to Mexico. This represents approximately a quarter of our FY2006 budget request (excluding demand reduction funding). Since 1989, domestic law enforcement agencies have requested military support for their respective counter-narcotics operations. This support has historically included interdiction of cocaine, marijuana, and methamphetamines coming into the United States; interdiction of cash proceeds exiting the United States; interdiction of illegal drugs transiting the United States; identification and destruction of domestic marijuana (growing primarily in California, Kentucky, Hawaii, West Virginia, Tennessee, Oregon, and Washington); destruction of methamphetamine labs; and the identification and arrest of drug manufacturers, traffickers, and distributors.

Of this total, \$152.7 million will support the National Guard State Plans supporting domestic law enforcement efforts and the counter-narcoterrorism schools. The National Guard continues to prove itself as an exceptional partner to law enforcement in domestic counternarcotics missions that require military-unique skills, including air/ground reconnaissance, intelligence analysis, and training for law enforcement agencies.

The southwest border has historically been the primary entry point for the flow of drugs into the United States, and is vulnerable to a broader range of trans-national threats. The Department, along with the inter-agency, is working to counter those threats. Most recently, our office has undertaken discussion with the various agencies, including law enforcement in El Paso to engage them, through Joint Task Force –North (JTF-N), in discussions concerning the leveraging and more efficient use of CN dollars supporting cross border and state efforts to stop the flow of narcotics from Mexico. In addition, we

are working with the National Guard and NORTHCOM to satisfy an ONDCP request to better coordinate and integrate this support in marijuana production states. This coordination will help prioritize and deconflict Title 10, Title 32, and other federal, state, and local helicopter support for this year's marijuana eradication missions.

Approximately \$33 million is programmed for the southwest border domestic detection and monitoring efforts provided by tethered aerostats. The Tethered Aerostat Radar System (TARS) provides dedicated radar surveillance of the US Southwestern Border, giving a low-altitude, small target surveillance capability - critical for the detection and monitoring of aircraft with trafficking profiles in eight sites.

Another \$14 million is for Domestic Operational Support, such as US Northern Command (NORTHCOM) counternarcotics support to DLEAs on the southwest border, as well as support to Mexico. Working closely with USNORTHCOM and the Assistant Secretary of Defense for Homeland Defense (ASD(HD)), this support is managed through JTF-N in El Paso, Texas. JTF-N provides active duty and reserve personnel for engineering support, aerial and ground reconnaissance, transportation, logistics, translation, communications, and intelligence. These counternarcotics activities provide excellent training in real world situations and contribute to our domestic security.

In terms of our support to Mexico, the Department provides training and support to Mexican military counternarcotics forces. The training, currently focused on Mexican Navy littoral operations, is conducted in the United States through formal schools and mobile training teams deployed to selected sites in Mexico. We continue to seek to expand our relationship and types of training (to include riverine tactics and operations, communications, logistics, aircraft operation and maintenance, intelligence, search and rescue, and medical training) that we provide to the Mexican military counternarcotics forces.

Finally, the Department is committed to improving information sharing between the Department of Defense and law enforcement agencies in support of counternarcotics objectives. We are installing classified computer systems and networks in High Intensity Drug Trafficking Area intelligence centers, operated by National Guard intelligence analysts. Active duty and Reserve personnel also play an integral role in arrival zone detection and monitoring, cross-agency intelligence fusion, and the development of actionable intelligence.

International Support

On our Southwest and other borders, smugglers transport drugs, illegal aliens, arms and carry cash. In doing so, they exploit the openness of our society, and pose a threat to our way of life. Similarly, the overlap of threats along our southwest border is a problem elsewhere in the world. Engaging other nations to address the problem benefits

our nation both directly and indirectly. Our support to other countries is designed to assist them in building their capacity to combat drugs themselves, so that they can stop drugs in their country before the drugs move to our shores. In addition, our programs are focused on providing assistance to democracies where drug networks are, or support, threats to democratic institutions and free economies, such as Colombia.

In our request, \$429.1M will fund counter-narcoterrorism programs in the U.S. Central Command (CENTCOM), U.S. Southern Command (SOUTHCOM), U.S. Pacific Command (PACOM), and U.S. European Command (EUCOM) Areas of Responsibility (AORs) to detect, interdict, disrupt or curtail activities related to the cultivation, processing or transport of illegal drugs; and to building our partners' capacity to join us in this effort.

In the SOUTHCOM AOR, the Department will focus its efforts and funding in Colombia, the heart of the narcoterrorist problem in the region. Funding for programs in the SOUTHCOM AOR is \$368.1 million in FY06, which represents over 85% of the Department's international CN support. The vast majority of the world's coca is grown in Colombia, and nearly all of the cocaine consumed in the United States is produced and shipped from Colombia. This coca is primarily grown in remote areas of Colombia where there has been little government control. Colombian narcoterrorists receive the majority of their funds from protecting, "taxing" and engaging in this illegal drug trade. These narcoterrorists seek to overthrow the freely elected Colombian government, the oldest democracy in Latin America.

Department of Defense support to this effort has been unfailing. In fact, last year this office successfully secured an additional \$40 million for the counternarcotics support it provides to Colombia during the Department's internal review of the proposed FY2006 budget. This additional funding sustains the commitment the Department has made to working with President Uribe and the Colombian military. The aggressive leadership of President Uribe offers Colombia a unique window of opportunity to preserve Colombian democracy. Colombia is regaining control of areas long held by narcoterrorists. The Colombian military has made exceptional progress in fighting drug trafficking and terrorism while improving respect for human rights.

In recent fiscal years, the Congress provided expanded authority to support our Colombian efforts, as well as increased the cap on military and civilian personnel serving in Colombia. The expanded authority will expire at the end of FY 2006. Such support from Congress has been crucial to leverage our resources both against narcotics and terrorism, and we are requesting the expanded authority be continued.

In addition to our support for Colombia, the Department is by far the largest contributor of funds and personnel to the Joint Inter-Agency Task Force (JIATF) South. Last year, JIATF South had a fifth straight "record year" in cocaine disruptions,

interdicting over 222 metric tons of cocaine and 6 tons of marijuana. On the street, these drugs would be worth over \$4.3 billion. Interagency and international staff cooperation continues to be the cornerstones for JIATF South's success.

Moreover, the Department of Defense continues to provide a steady number of detection and monitoring assets in the source and transit zones, and we have been attempting to increase these assets. The Navy's problem with the P-3s, which affects not only the Department's counternarcotics assets, but the availability of maritime patrol aircraft worldwide, has been well documented and discussed. The Department continues to provide contracted surveillance aircraft performing maritime patrol missions, and is continuing to fund additional use of UK assets to cover the gaps in maritime coverage. In recent months, the Department has recently returned the E-3 AWACS to the region. In addition, the number of Navy ships steaming in the transit zone has remained stable.

In the Central Command area of operation, the huge explosion of poppy growth has raised fears that the heroin which currently is destined for Europe and Russia will someday find its way to the United States. Furthermore, terrorists and extremists in Afghanistan and its neighboring countries are exploiting illicit drugs trade to support their activities. Both President Bush and President Karzai have made fighting drug trafficking a priority as it threatens coalition forces, as well as the fledgling Afghan democracy.

The Department has programmed \$27.8 million in FY2006 for its support to efforts in the CENTCOM AOR. We have not requested all the funding required for Afghanistan counternarcotics support in the FY 2006 budget, but rather will request supplemental funding for this effort. The Administration will assess the resources needed to support the Department's on-going counternarcotics efforts in the CENTCOM AOR in the context of our broader efforts in the region, including the Global War on Terror.

The Department of Defense in FY 2006 will continue our efforts from last and this year to assist the Afghans in building their capacity to address this threat. The Department will provide substantial counter-narcoterrorism supporting infrastructure, training and equipment for the Afghan police and the United Kingdom and Drug Enforcement Administration-mentored Afghan counter-narcoterrorism interdiction units. In other Central Asia and the Middle East countries, the Department will expand its counter-narcoterrorism support to curb the transit of illicit drugs through international smuggling corridors.

An early example of the benefit of our efforts thus far is the successful March 15, 2005 raid in Afghanistan. US military forces inserted, extracted, and secured six Drug Enforcement Administration (DEA) officers and 36 Afghan narcotics police (equipped and trained by the Department) in a successful operation against three labs located in Nangahar province, one of the primary sources of Afghan opium. Furthermore, to work with this newly-minted Afghan interdiction force, DEA requested the Department

provide support to an enhanced, surge capability that will put rotating teams of DEA agents (known as the DEA Foreign Advisory Support Teams (FAST) officers) in country to work with their Afghan counterparts. We are providing a base of operations for the FAST Teams while in the US, where they can continue to train, and providing the FAST Team members with transportation to Afghanistan. The Department provided the training and equipment for the Afghan force working with DEA.

In addition, in response to a State Department (INL) request, the Department is assisting the Afghan Border Police by providing specialized training, equipment, and facilities. Our current efforts have focused along the areas bordering Pakistan as a significant amount of narcotics trafficking from Afghanistan crosses that border. Increased security capacity-building along the Pakistan border also will benefit Coalition forces and the Afghan government by providing a means by which cross border violence from extremist and anti-government forces can be addressed. And the government of Afghanistan would benefit greatly from the capacity to collect revenue during traffic stops along these same routes.

In the Pacific Command AOR, the Department will bolster well-established counter-narcoterrorism efforts – particularly in Southeast Asia where the U.S. and its Asian partners face a challenging combination of terrorism, extremism, drug trafficking, and a serious need for increased maritime security. In FY 2006, efforts are funded at \$27.3 million, to include the costs of Joint Inter-Agency Task Force West. Currently, PACOM and JIATF West are focusing their efforts against drug related international criminal organizations. The Department of Defense will expand its operations from the already mature programs in Thailand to new countries of national interest, such as Malaysia, Indonesia and the Philippines. Examples of such expansion are PACOM-supported national level intelligence fusion centers that will be operational in June 2005 in Jakarta, Indonesia and Manila, Philippines. PACOM will next establish smaller interagency fusion centers linked to these national centers. When this network matures, partner nations will have a greater capacity to deal with formidable drug and other smuggling organizations.

In Europe and Africa (\$8.5 million), the Department will increase its cooperation and information exchange with our old and new allies in Europe to become more effective in counter-narcoterrorist activities that threaten our mutual national security. One of these efforts is our support to Azerbaijan to improve maritime security in and intelligence collection and integration on the Caspian Sea. It is also developing a Trans-Saharan initiative designed to train and equip military, Coast Guard, and other partner nation interdiction units in the region. Finally, EUCOM is planning of Gulf of Guinea initiative to improve partner nation maritime detection and monitoring capability.

Intelligence and Technology Support

A total of \$139.6M will be used for intelligence programs to collect, process, analyze, and disseminate information required for counter-narcoterrorism operations. The basic nature of the smuggling threat mandates the need for actionable intelligence if the Department is to be effective in detection, monitoring and interdiction operations. The Department will continue to provide critical intelligence support to national policies designed to dismantle narcotics trafficking and international terrorist organizations benefiting from the drug networks. These intelligence support programs make use of unique Defense capabilities, systems, skills, and expertise, and directly support the National Drug Control Strategy.

A total of \$87.7 million is designated for counter-narcoterrorism intelligence support and analysis; \$25.8 million is for signals intelligence (SIGINT) collection and processing; \$12.2 million is for Service and SOCOM command and control programs; and \$13.9 million is for meeting new technology requirements.

Use of new technology continues to be instrumental in combating narcoterrorist activities. We have developed some exciting new technologies, such as the Pulsed Fast Neutron Analysis, the non-intrusive inspection of the considerable tractor trailer traffic in El Paso, TX. This system will allow the speedy pulls of trailers through a neutron beam to detect threats including drugs, explosives, chemical weapons, and nuclear materials. The Athena maritime domain awareness portal is a unique system in its integration of radar and other input, creating an integrated maritime domain awareness network to identify threats to the United States.

LEGISLATIVE PROPOSALS

While not pure budget issues, the Department has requested expansion and extension of its two major counternarcotics authorities in Fiscal Year 2006, Section 1004, National Defense Authorization Act for Fiscal Year 1991, as amended¹ and SEC. 1033 National Defense Authorization Act for Fiscal Year 1998, as amended². Section 1004 expires at the end of Fiscal Year 2006 and enables the Department of Defense to assist the counter-drug activities of any other department or agency of the Federal Government or of any State, local, or foreign law enforcement agency. Approval of this proposal would extend current authorities five more years.

We have also requested expansion and extension of our Section 1033 which allows the Department to provide non-lethal equipment and supplies to the Governments of Peru, Colombia, Afghanistan, Bolivia, Ecuador, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. We seek to extend 1033 for 5 more years and an increase in the authority from \$40 million to \$80 million, as well as other authorities.

Finally, the Department requested authority to leverage counternarcotics funds and resources to also detect, monitor and interdict terrorists. After the attack on the United States on September 11, 2001, the intelligence community and the Department of Defense focused on the need to leverage our resources and authorities to address any and all threats to our national security, while integrating intelligence, military and law enforcement approaches to these problems. The Department's detection and monitoring activities, by their nature, disrupt narcotics traffickers and terrorist groups by helping to interdict these threats. This new authority would allow the Department to give full effect to the intent of Congress, and provide flexibility for Department to use its resources, capabilities, and structures designed to address the drug threat, to detect, monitor, and interdict terrorist threats as well.

CONCLUSION

On behalf of the Department, I appreciate your continued support of our counter-narcotics initiatives, particularly those in Colombia and in Afghanistan. By your support of our activities, as well as the funding and authorities you provide, you are our staunchest ally in this fight against narcoterrorism. I would like to thank you, Chairman Souder, Representative Cummings, and the Members of the Committee for the opportunity to discuss these issues with you. I look forward to answering your questions.

¹ Pub. L. No. 101-510, *amended by* §1088(a), National Defense Authorization Act (NDAA) for Fiscal Year (FY) 1992 and 1993, Pub. L. No. 102-190; §1041, NDAA for FY 1993, Pub. L. No. 102-484; §1121(a) and (b), NDAA for FY 1994. Pub. L. No. 103-160; §1011, NDAA for FY 1995, Pub. L. No. 103-337; §1021, NDAA for FY 1999, Pub. L. No. 105-261, and §1021, NDAA for FY 2002, Pub. L. No. 107-107.

² Public Law No. 105-85, Nov. 18, 1997, *amended by* §1021, National Defense Authorization Act for Fiscal Year 2001, (Pub. L. No. 106-398), *amended by* §1021, National Defense Authorization Act for Fiscal Year 2004, (Pub. L. No. 108-136)